

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)	
Petition of WorldCom, Inc. Pursuant)	
to Section 252(e)(5) of the)	
Communications Act for Expedited)	
Preemption of the Jurisdiction of the)	CC Docket No. 00-218
Virginia State Corporation Commission)	
Regarding Interconnection Disputes)	
with Verizon Virginia Inc., and for)	
Expedited Arbitration)	
)	
In the Matter of)	CC Docket No. 00-249
Petition of Cox Virginia Telecom, Inc., etc.)	
)	
In the Matter of)	CC Docket No. 00-251
Petition of AT&T Communications of)	
Virginia Inc., etc.)	

**VERIZON VA'S REBUTTAL TESTIMONY ON NON-MEDIATION ISSUES
(CATEGORIES I AND III THROUGH VII)**

RESALE

- JOSEPHINE MAHER

AUGUST 17, 2001

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1 **I. INTRODUCTION AND OVERVIEW**

2 **Q. ARE YOU THE SAME JOSEPHINE MAHER THAT OFFERED DIRECT**
3 **TESTIMONY ON THE NON-MEDIATION RESALE-RELATED ISSUES?**

4 A. Yes, and my education and background were described in my Direct Testimony
5 on non-mediation resale-related issues.

6
7 **Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY IN THIS**
8 **PROCEEDING?**

9 A. The purpose of this testimony is to respond to the testimony of AT&T witness
10 Kirchberger with respect to the resale of vertical features (Issue V-10) and, to a
11 limited extent, AT&T witness Pfau with respect to the resale of advanced services
12 (Issue V-9).

13
14 **II. RESALE OF VERTICAL SERVICES (Issue V-10)**

15 **Q. DOES VERIZON VA OFFER VERTICAL FEATURES ON A STAND-**
16 **ALONE BASIS?**

17 A. No. AT&T witness Kirchberger seems to dispute this fact, claiming that it “is
18 inconsistent with the manner in which Verizon offers these vertical features
19 pursuant to tariffs for telecommunications services.” Kirchberger Direct
20 Testimony at 8. Mr. Kirchberger, however, is wrong. Verizon VA does not
21 provide vertical features to its retail customers on a stand-alone basis, that is,
22 unless they also purchase the dial tone line. Indeed, they cannot use vertical
23 features without a dial tone line.

1 **Q. DO YOU AGREE WITH AT&T WITNESS KIRCHBERGER’S ANALYSIS**
2 **OF THIS ISSUE?**

3 A. No. Mr. Kirchberger attempts to confuse the issue by stating that “Verizon’s dial
4 tone line service is available for purchase by retail customers on a stand-alone
5 basis.” *Id.* (emphasis added.) That is true, but that is not the issue. The issue is
6 whether vertical features are offered, at retail, on a stand-alone basis. They are
7 not, and AT&T is therefore not entitled to the wholesale discount if it desires to
8 purchase vertical services for resale on a stand-alone basis. All Mr. Kirchberger’s
9 testimony does is demonstrate that AT&T is entitled to the wholesale discount if
10 it purchases the dial tone line for resale on a stand-alone basis. Of course, in that
11 instance, AT&T can also get the wholesale discount if it wants to resell vertical
12 features. The separate pricing of vertical features in Verizon VA’s tariff does
13 not change this underlying condition for the retail sale of vertical features – that
14 they are not offered on a stand-alone basis at retail. As explained in my Direct
15 Testimony on non-mediation resale-related issues, a retail end-user may, but does
16 not have to, purchase vertical features in addition to dial tone. Accordingly, dial
17 tone line service cannot be priced as if it necessarily includes vertical features.
18 The fact that vertical features are listed and priced separately, however, does not
19 mean that they are offered on a stand-alone basis at retail. Moreover, the fact that
20 Verizon VA offers its vertical features to Enhanced Service Providers for resale
21 does not help AT&T. As I explained in my direct testimony, the offering to
22 Enhanced Service Providers is a wholesale offering, not a retail offering.

23

1 **Q. HAVE THERE BEEN ANY RECENT STATE DECISIONS ON THIS**
2 **ISSUE?**

3 **A.** Yes. On July 30, 2001, the New York Public Service Commission rejected
4 AT&T's arguments on this issue. *Joint Petition of AT&T Communications of*
5 *New York, Inc., TCG New York Inc. and ACC Telecom Corp. Pursuant to Section*
6 *252(b) of the Telecommunications Act of 1996 for Arbitration to Establish an*
7 *Interconnection Agreement with Verizon New York Inc., N.Y. P.S.C. Case 01-C-*
8 0095 (July 30, 2001) at 20. This is consistent with the rejection by the state
9 commission in Massachusetts of AT&T's attempt to get vertical features on a
10 stand-alone basis for resale at the wholesale discount. *See Petition of Sprint*
11 *Communications Company L.P., pursuant to Section 252(b) of the*
12 *Telecommunications Act of 1996, for arbitration of an interconnection agreement*
13 *between Sprint and Verizon-Massachusetts, D.T.E. 00-54, Decision (Dec. 11,*
14 2000) at 27 ("Verizon's refusal to offer vertical features on a stand-alone basis to
15 Sprint at the wholesale discount does not violate the Act or the Commission's
16 *Local Competition* rules.").

17
18 **III. RESALE OF ADVANCED SERVICES (Issue V-9)**

19 **Q. HOW SHOULD THE COMMISSION RECONCILE THE CONFLICT**
20 **BETWEEN THE MERGER ORDER'S PROHIBITION AGAINST**
21 **VERIZON VA OFFERING ADVANCED SERVICES AND THE**
22 **COMMISSION'S STATEMENT THAT IT IS REASONABLE FOR CLECS**
23 **TO EXPECT ONE AGREEMENT TO COVER ALL OF THE**

1 **INTERCONNECTION OBLIGATIONS OF VERIZON VA, INCLUDING**
2 **RESALE OF ADVANCED SERVICES?**

3 A. It would make sense to order Verizon VA to include in an interconnection
4 agreement a commitment to offer that which it is prohibited from offering.
5 Should the Commission wish to allow AT&T the option of a single
6 interconnection agreement with Verizon VA that includes resale of advanced
7 services, the Commission should act quickly on Verizon's pending request to
8 accelerate the automatic sunset of the structural separation requirements imposed
9 by the Merger Order. Granting that request would allow Verizon VA to act on
10 VADI's behalf and to begin the process of re-integrating VADI/VA.¹

11
12 **Q. IS IT NECESSARY TO INCLUDE THESE ADVANCED SERVICES IN**
13 **THE AGREEMENT BETWEEN VERIZON VA AND AT&T?**

14 A. No. First, at present, AT&T can get what it seeks here -- access to advanced
15 services pursuant to § 251(c)(4) -- from VADI-VA directly. *See* VADI's FCC
16 Tariff No. 1, Section 5, Part III; VADI-VA Virginia SCC Tariff No. 1, 1st
17 Revised Page 30 (Cancels Original Page 30), § 3.1. In the future, should Verizon-
18 VA reintegrate VADI -- the existing language to which AT&T and Verizon-VA
19 have already agreed will ensure that Verizon-VA offer for resale any advanced
20 services it offers in the future at retail to non-telecommunications carriers. That
21 is, pursuant to the following agreed portion of § 12.1.1 of the Verizon/AT&T
22 interconnection agreement, "Verizon will make available to AT&T, in accordance

¹ April 26, 2001 Verizon Correspondence to Dorothy Attwood, Common Carrier Bureau Chief, Federal Communications Commission.

1 with Section 251(c) (4) of the Act, for resale at wholesale rates (except as
2 provided below), the Telecommunications Services that it provides at retail to its
3 non-carrier customers (collectively, "Resold Services")."

4
5 In the context of this interconnection agreement -- as contrasted with a § 271
6 proceeding -- AT&T's proposed contract language ignores the currently mandated
7 corporate separateness between Verizon VA and VADI-VA and is unnecessary
8 should Verizon VA be relieved from such a requirement. Verizon VA's proposal
9 is consistent with its obligations -- both pursuant to § 251(c)(4) and the *BA/GTE*
10 *Merger Order* -- and does not prevent AT&T from obtaining advanced services
11 for resale either now or in the future.

12
13 **Q. IS PFAU CORRECT THAT THE CONNECTICUT 271 ORDER MEANS**
14 **THAT VERIZON VA AND VADI-VA ARE NOT REALLY SEPARATE?**

15 A. No. The *Connecticut 271 Order* arises not from the arbitration of an
16 interconnection agreement, but from consideration of whether Verizon should be
17 permitted authority to provide in-region interLATA service originating in the state
18 of Connecticut pursuant to § 271 of the Act. This distinction is particularly
19 important when considering the effect of the mandated corporate separation
20 between Verizon VA and VADI-VA pursuant to the *BA/GTE Merger Order*. In
21 the context of the Connecticut § 271 proceeding, the Commission made it clear
22 that the corporate distinction was not important for purposes of evaluating
23 whether Verizon had achieved compliance with certain market-opening

1 requirements contained in § 271 of the Act before providing in-region, interLATA
2 long distance service. This is not a rejection of the fact that advanced services are
3 “offered by a separate company,” as AT&T witness Pfau claims. The fact that the
4 advanced services were offered by VADI rather than Verizon was simply not a
5 material fact to the Commission’s analysis of the § 271 application.
6

7 **Q. WHAT ARE AT&T’S CONCERNS ABOUT THE TERMS AND**
8 **CONDITIONS UNDER WHICH VADI-VA OFFERS ADVANCED**
9 **SERVICES AT RESALE?**

10 A. AT&T witness Pfau spends a great deal of time discussing an issue discussed in
11 the *Connecticut 271 Order*. That issue is whether VADI-VA must offer advanced
12 services for resale if Verizon VA is not the voice provider. Because this issue
13 implicates the terms and conditions for line sharing and line splitting, Verizon’s
14 Advanced Services Panel addresses AT&T’s concerns about the terms and
15 conditions under which VADI-VA offers advanced services at resale over
16 Verizon VA’s facilities when Verizon VA is not the underlying voice provider.
17

18 **Q. SHOULD VERIZON VA HAVE AN OBLIGATION TO PROVIDE AT&T**
19 **WITH ADVANCED SERVICES FOR RESALE IN THE CIRCUMSTANCE**
20 **IN WHICH AT&T SERVES THE END-USER THROUGH A UNE-**
21 **PLATFORM OR UNBUNDLED LOOP?**

22 A. Verizon’s Advanced Services Panel addresses AT&T’s claim that Verizon VA
23 should have an obligation to provide AT&T with advanced services for resale in

1 the circumstance in which AT&T serves the end-user through a UNE-Platform or
2 Unbundled loop.

3

4 **Q DOES THIS CONCLUDE YOUR TESTIMONY?**

5 A. Yes, it does.

6

7

Declaration of Josephine Maher

I declare under penalty of perjury that I have reviewed the foregoing panel testimony and that those sections as to which I testified are true and correct.

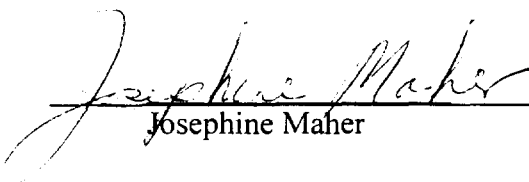
Executed this 17th day of August, 2001.

//ss//Josephine Maher
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Executed this 17th day of August, 2001.



Josephine Maher